

# ***Ashore Readiness Division***

**Shape,  
Anticipate,  
Innovate, and  
Lead**

## ***CNI Special Projects Management***



USS ANZIO CG 68



SH 60 Flight Ops

**CNRMA Regional Engineer  
CNI Transition Conference**

**4 Sep 2003**

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# Outline

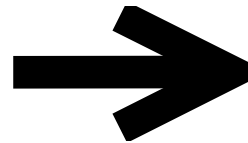
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- What happens to SRM Program Management on 1 October 2003?
- CNI SRM Implementation Team
- Logic behind CNI FY04 SRM Funding Allocation Profile
- FY03/FY04 Swing Program
- FY05 Special Projects Program
- SRM Issues Still Pending
- SECNAV Special Project Approval Process



# What happens to SRM on 1 Oct 2003?

**CNI Stand-up**  
*ICC2*



Out: Old SIC's  
PM QM CT  
In: New SIC's  
ST RM DE NF CT

SIC = Special Interest Codes

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*Lead*

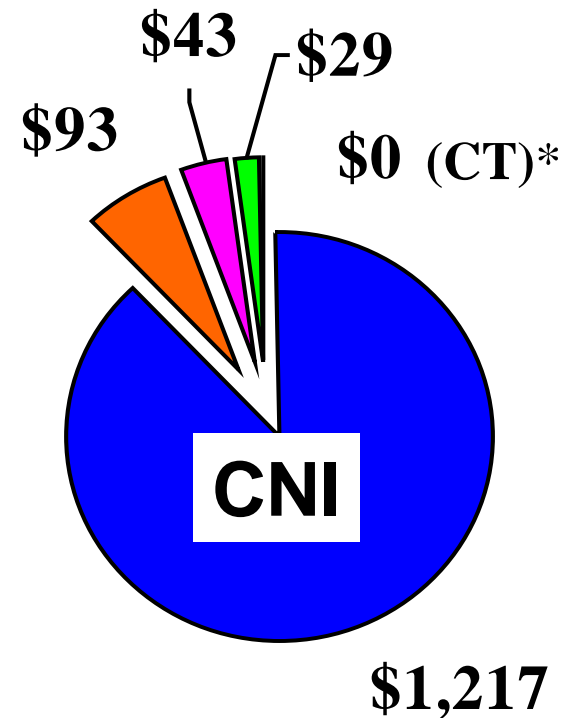
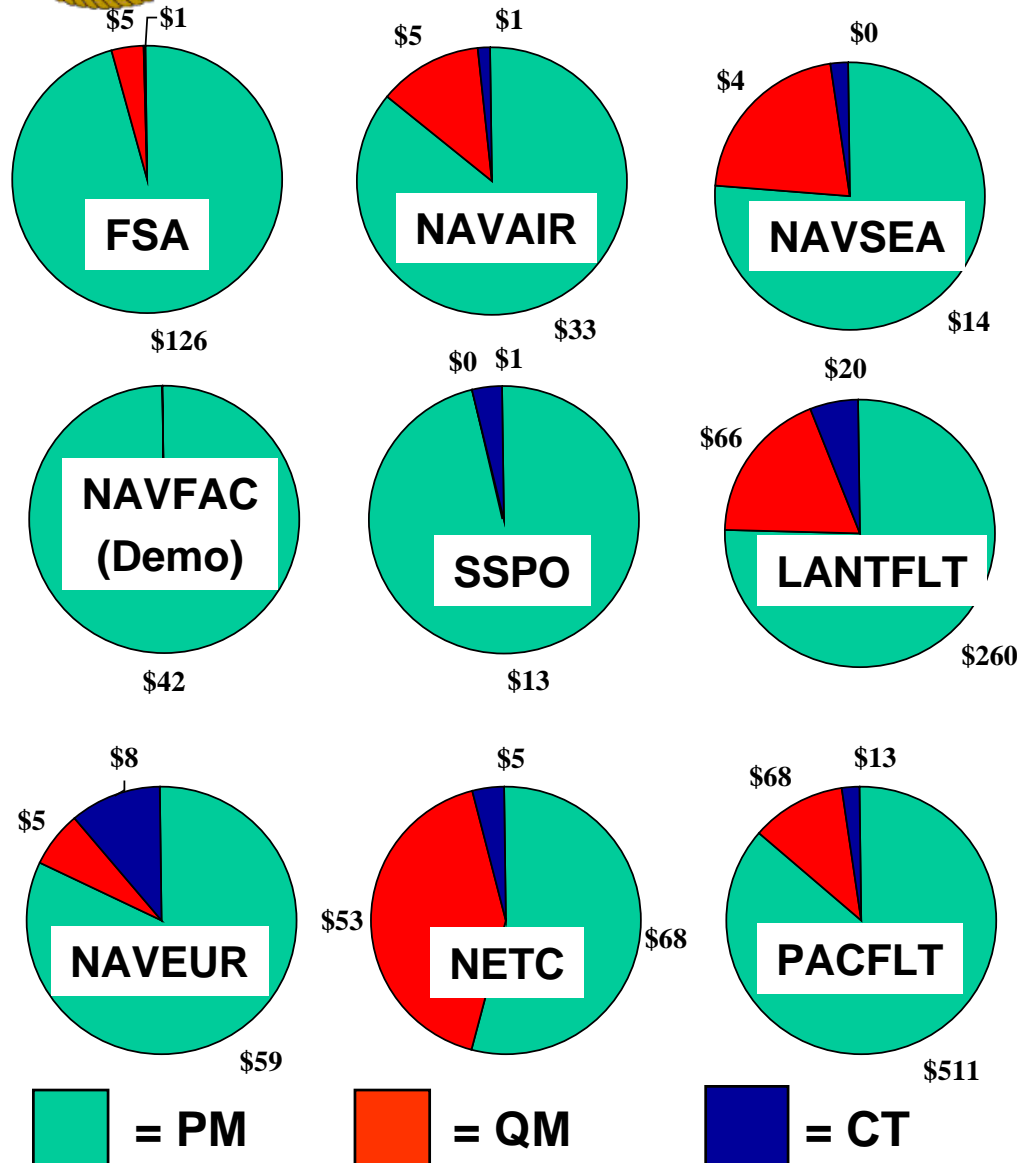


# FY04 SRM Controls (\$M)

(based on PRESBUD '04; excluding OMNR and NWCF)

30 Sep '03

1 Oct '03



\* CT included as part of NF & RM 4



# CNI SRM Implementation Team

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- Team met 19-21 May and 7-9 July 2003
  - 19-21 May : Draft CNI implementation message
  - 7-9 July: FY04 SRM allocation profile
- Input / participation from Divesting IMCs
- Wore “IMC Hats” for FY03 issues and “CNI Hat’s” for FY04+ issues
- Work coordinated with CNI Comptroller



# FY04 SRM Funding Allocation 'Logic'

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- FY04 is a transitional year...

*Only get back what you/your IMC "brought to the table"*

- 3 Parts to SRM allocation:
  1. ST<sup>1</sup> (~~M1R1~~)
  2. Special Projects
  3. Cent. Managed
- "ST<sup>1</sup>" allocation based on:
  - PRESBUD '04 planned amount per Region, plus
  - FSM 4.0 based amount for added activities
- Special Projects (**all**  $\geq$  \$500K):
  - What \$ is left over, per divesting IMC's "contribution"
  - Single CNI IPL, but with divesting IMC identity
- Cent. Managed based on identified requirements



## FY03 – FY04 Swing Program

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- Good news: FY04 Special Projects 'pot' is ~\$300M
- Bad news: OBOS shortfalls still pending
  - Current Intent is to take out of Special Projects?
- FY03/04 Swing Program (~\$125M), allocated as follows:

### Divesting Claimant

NETC

PACFLT

LANTFLT

NAVAIR

NAVEUR

FSA

NAVSEA

### CNI Funding Guarantee

\$15.0M

\$53.0M

\$24.0M

\$ 5.0M

\$ 6.0M

\$20.0M

\$ 2.0M



# FY05 Special Projects Program

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- Transition year is over, formal CNI procedures
- FY05 Special Projects Board to be held in Nov/Dec time frame
  - Sep: Discuss at CNI RE Conference (9-11 Sep)
  - Oct: Tasking msg w/FY05 SP algorithm published
  - Nov: Regional IPL's and 1391's due
    - 1391's must indicate % ST, RM, DE, NE, & CT
  - Dec: Board (tentative 9-11 Dec)
  - Jan: PRESBUD '05 Special Project list due
- Algorithm based ranking process
  - Intend to use slightly modified PACFLT process/algorithm
- Invitees: CNI, Regions, and TYCOM Reps



**CDR(S)**  
**Dean Tufts**  
**(CNI SRM PM)**





# FY04 SRM Issues Still Pending

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- Allocation plan/profile for O&M,NR, SSPO, and CT
- NCF SRM project funding process flow
  - Centrally fund materials and designs
- Central Inspection/FCAP plan and funding
- SRM IT initiatives and funding source
- Special Project validation by EFD's:
  - Pro's: Good check & balance for statutory regulation compliance
  - Con's: Costly; adds considerable time to review process;  
Some Regions strongly oppose
  - Will affect EFD workload, depending on final CNI policy
  - Possible solution: only SECNAV level projects (>\$5M)???



# SECNAV Approval Process

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- **Approval Thresholds**

- 10 U.S.C. 2811: Repair projects costing more than \$5.0M require Secretary approval
- House Report 107-246: Congress must be notified 21 days prior to carrying out repair projects costing more than \$7.5M

- **Submission Process:**

Activity ⇒ Region ⇒ Major Claimant ⇒ OPNAV N46 ⇒ DASN(I&E) ⇒ Congress

- Documentation: OPNAVINST 11010.20F outlines requirements
- Must have Major Claimant Validation
  - Recommend technical review and endorsement from servicing EFD/EFA
- NAVFAC PW processes packages for OPNAV N46 review/approval
- DASN(I&E) has been delegated approval authority
- OLA processes notifications/drops for Authorization committees
- FMB processes notifications/drops for Appropriation committees

- **Timing**

- After NAVFAC processes and forwards to N46, allow:
  - 30-45 days for projects <\$7.5M
  - 60 days for projects >\$7.5M
- DON'T WAIT UNTIL END OF YEAR CRUNCH!! Better to have approvals sitting on the shelf awaiting funding, than the other way around
- Poor planning and execution on your part doesn't constitute an emergency at the Secretariat level
- Emergency cards have been played in the past, but they're used up fast – DON'T PLAN ON THEM!



# Successful SECNAV/Congressional Packages

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- Well written 1391 that explains **What, Why, When, How**
  - 1391 should stand on its own: should answer all questions – not generate them
  - Package reflects your professionalism: pay close attention to spelling, grammar, font, formatting
  - All numbers (in 1391, project estimate and EA) must align
  - 1391 must be signed and dated
  - Block 2 date and signature date must not conflict
  - Include IRRS data, or explain difference if not up to date
- Well written Economic Analysis that documents **full life cycle costs**
  - If NPV for repair option is not **MUCH** lower than other options, 'Stand By to Repel Boarders'
  - 1391 and EA must fully justify decision to select repair option
- Fully developed **Facility Replacement Cost**
  - If PRV in iNFADS and DoD Cost Factor Handbook does not accurately predict full replacement costs, provide a detailed development of estimated actual replacement cost
  - CPV is no longer used
- BQ projects that change configuration, must have a before and after floor plan
- Color Photos: Can truly say a thousand words
  - Select shots/angles that actually show something that 'looks' like it needs repair
  - More than 2, less than 12, with captions



# CNI Special Projects Management



*Shape*

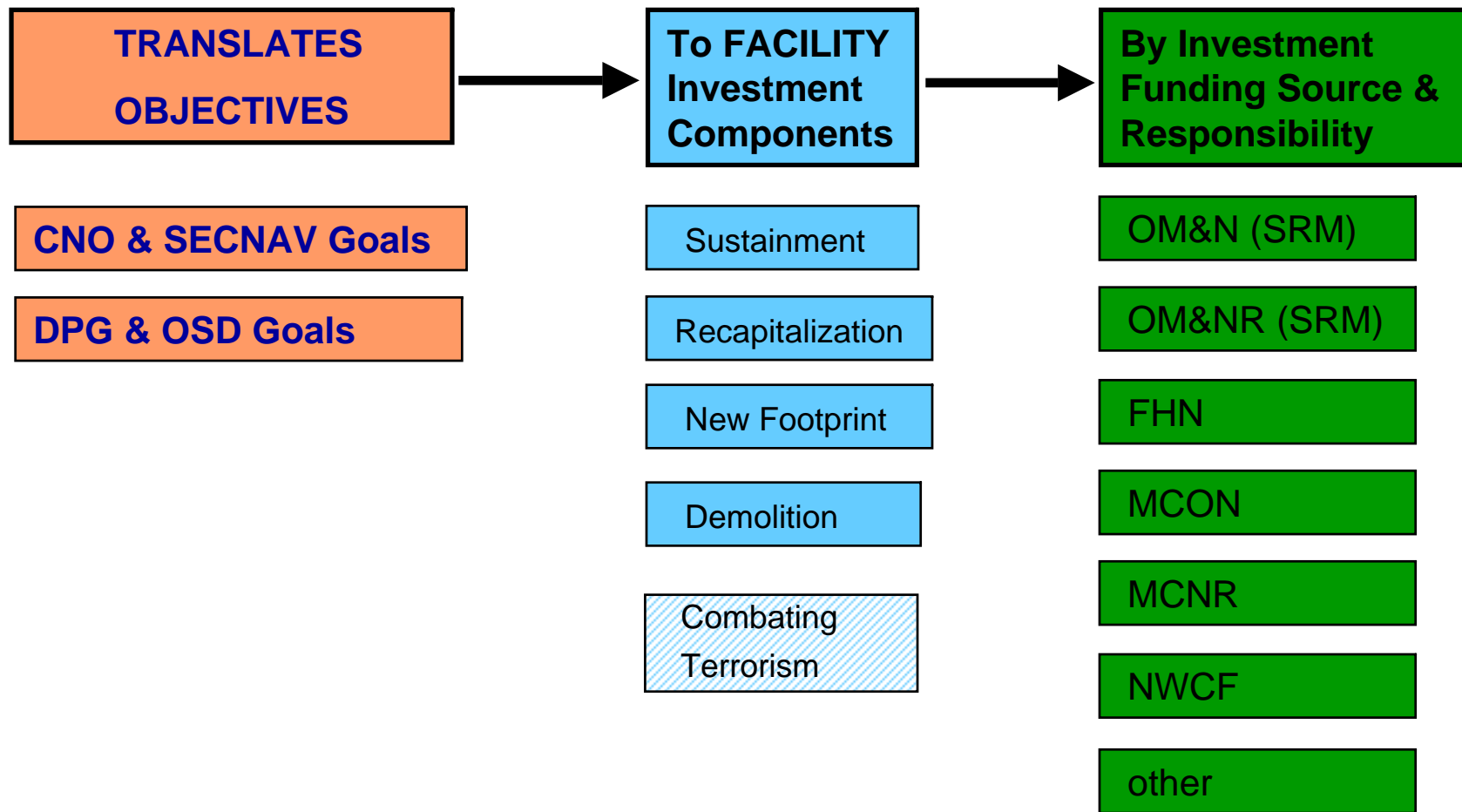
*Anticipate*

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# Facilities Investment Strategy



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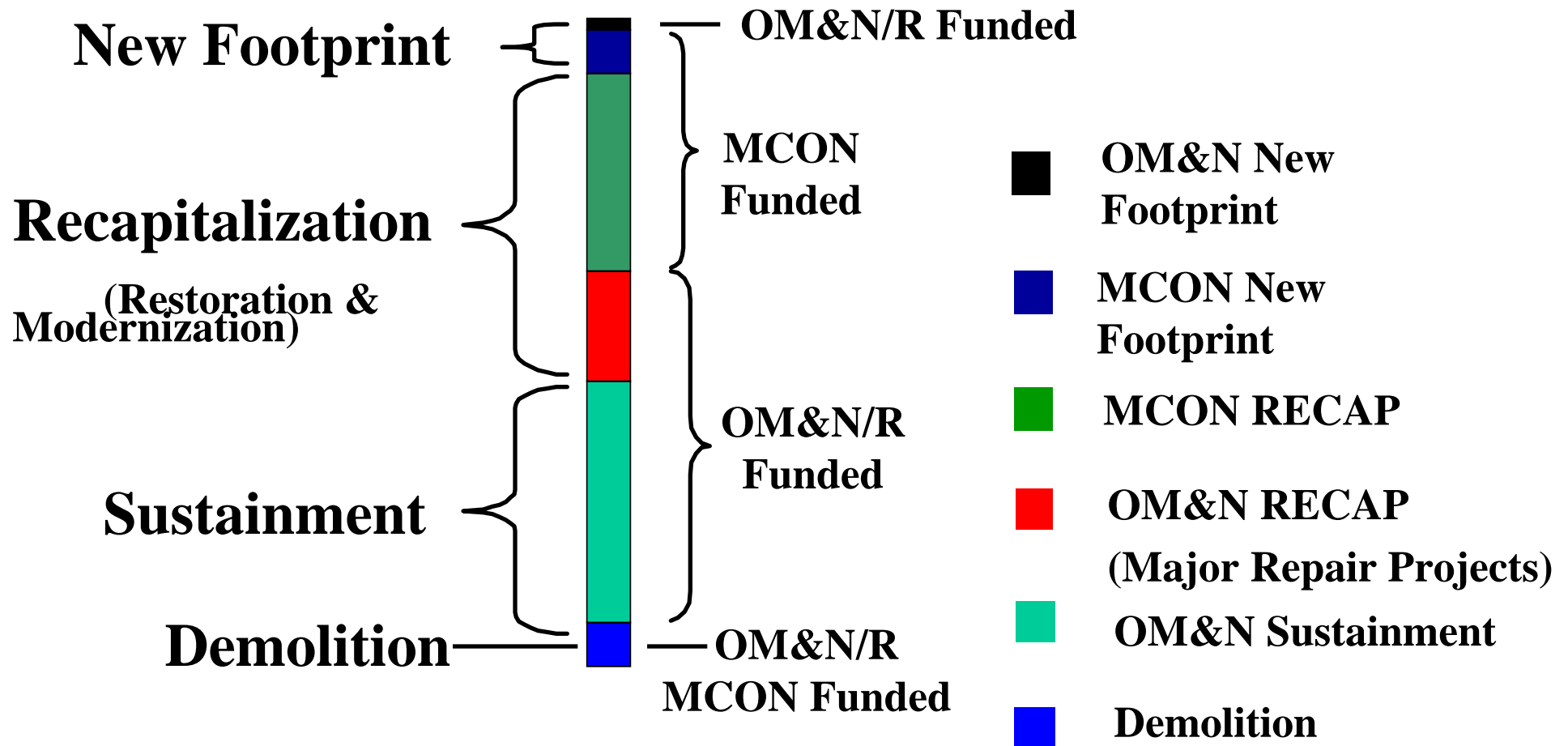
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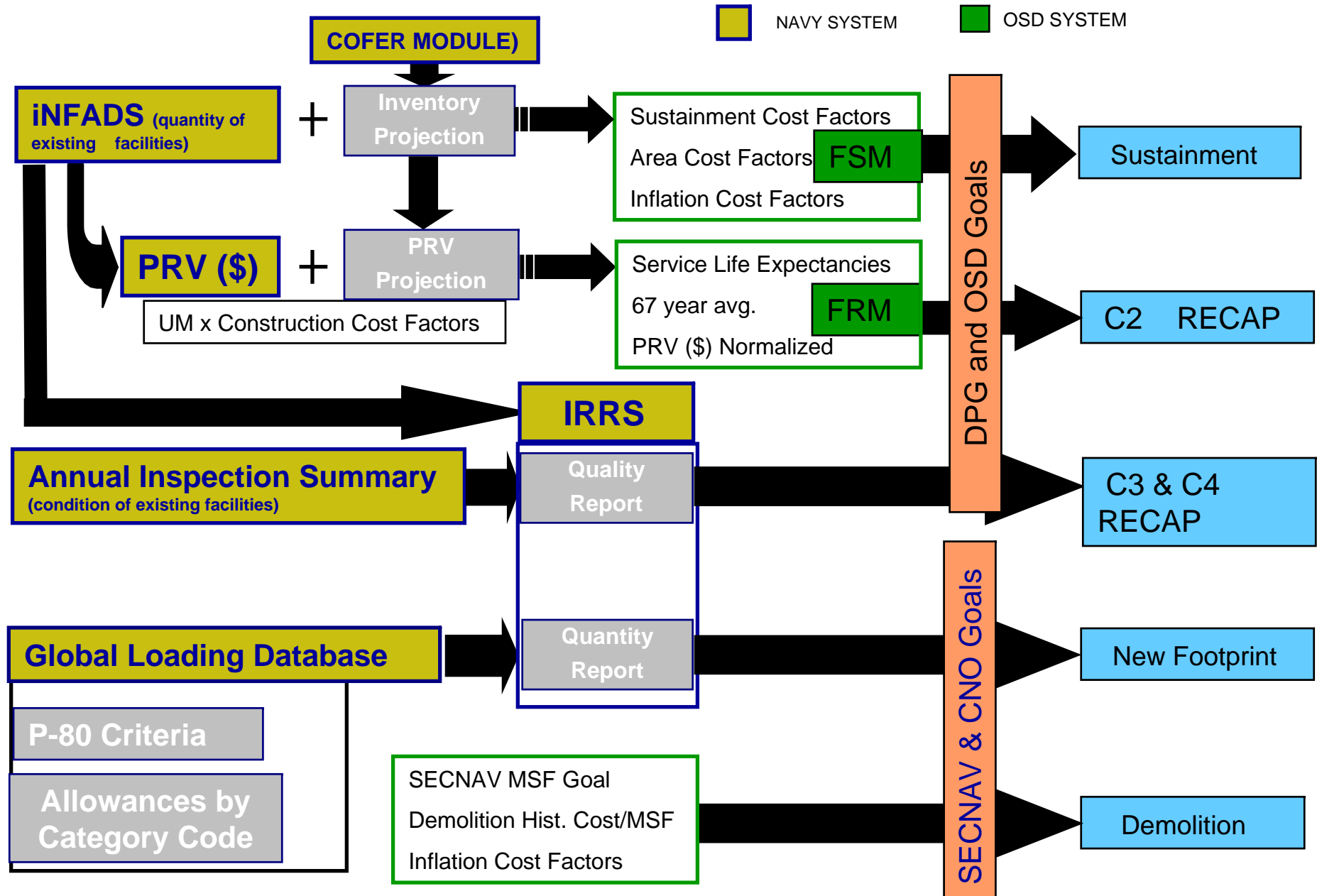
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# Facility Investment Funding



# Facilities Investment Model







# Sustainment

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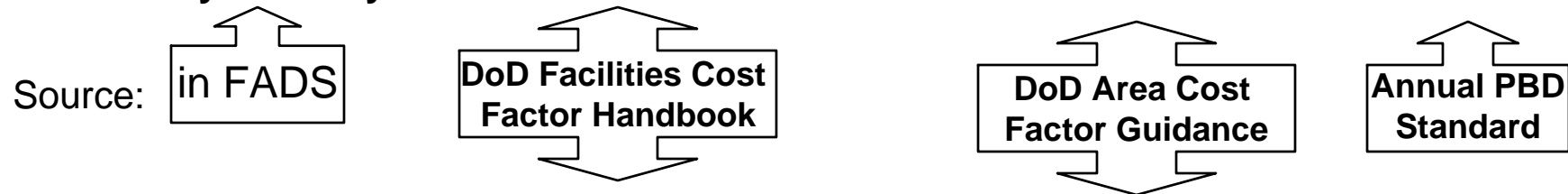
- Maintenance and repair activities necessary to keep a typical facilities inventory in good working order over it's life cycle
  - Regularly scheduled adjustments and inspections, preventative maintenance, and minor repairs
  - Major repairs or replacement of facility components expected to occur periodically throughout life cycle
    - Roof skin replacement; refinishing wall surfaces; repairing and replacing electrical, heating and cooling systems; replacing tile and carpeting.
- Does not include restoration, modernization, environmental compliance, specialized historical preservation or Facilities Services (custodial, grounds maintenance, waste disposal)
- Sustainment will not correct Q3 and Q4 conditions
- Failure to adequately Sustain will allow facility condition to degrade early





# Facilities Sustainment Model

Facility Quantity x Sustainment Cost Factor x Area Cost Factor x Inflation Factor



FAC Title	UM	Description	Unit Cost (\$FY01)
Fixed-Wing Runway, Surfaced	SY	A paved surface designed for the landing and takeoff of fixed-wing aircraft that can also accommodate rotary-wing aircraft.	\$1.18
Aircraft Fueling Facility	GM	A facility for the direct fueling of aircraft or for the filling of aircraft fuel tanker trucks.	\$5.45
Aircraft Maintenance Hangar	SF	A facility providing space for aircraft maintenance, repair, and inspection activities that require protection from the elements.	\$1.89

State	Location	ACF Index
CALIFORNIA		1.20
	SAN DIEGO	1.20
	SAN FRANCISCO	1.20
	29 PALMS MARINE CORPS BASE	1.35
	CAMP PENDLETON MARINE CORPS	1.19
	CENTERVILLE BEACH	1.10
	CHINA LAKE NAVAL WEAPONS CENTER	1.30
	EL CENTRO NAVAL AIR FIELD	1.24
	LEMOORE NAS	1.25
	LOS ANGELES AREA	1.12
	MONTEREY AREA	1.17
	PORT HUENEME AREA	1.12
	SAN CLEMENTE ISLAND	1.91
	STOCKTON AREA	1.15



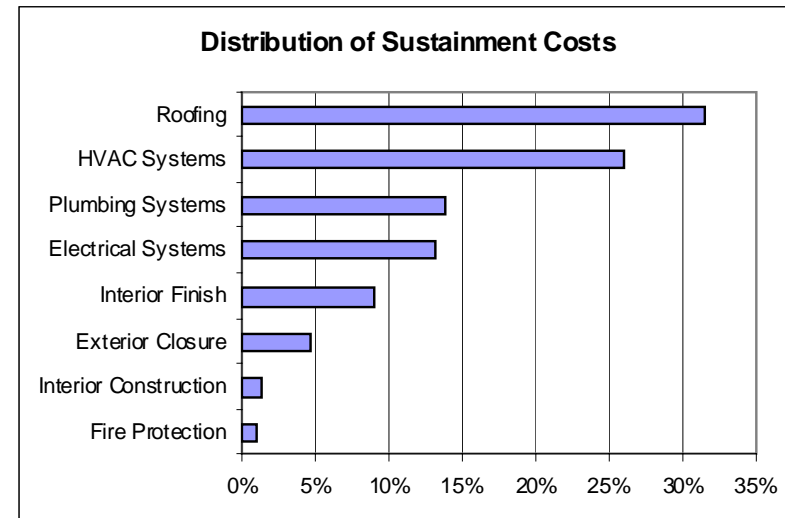
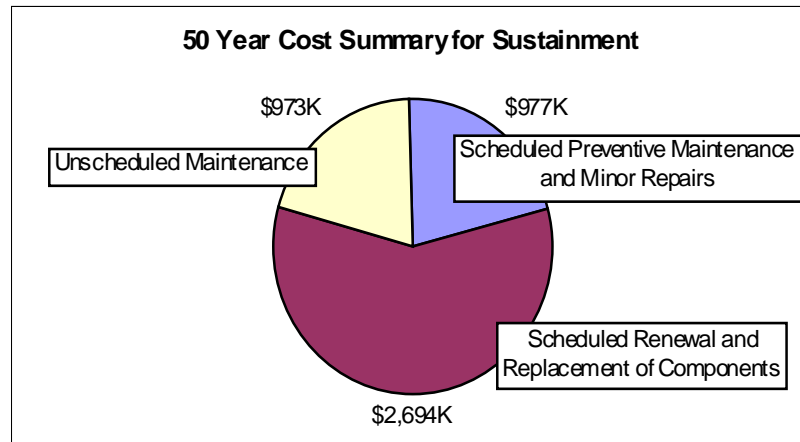
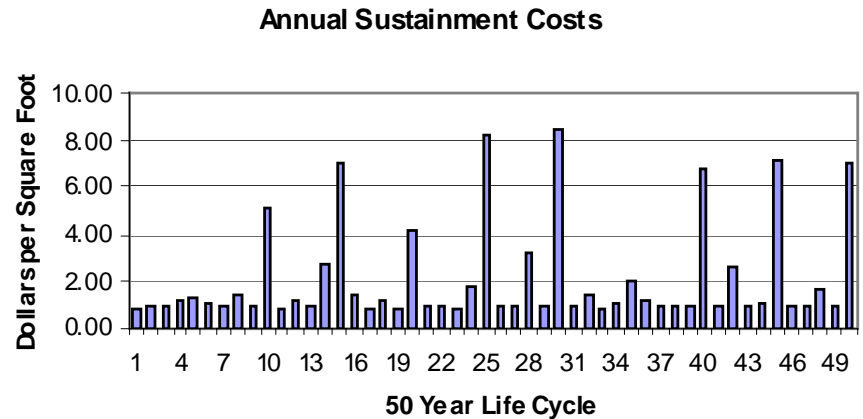
# FSM Example

## RDT&E Technical Service Facility

Average Annual  
Cost to Sustain  
per Square Foot (FY02\$)

Years 1-25	1.92
Years 26-50	2.21
50 Year Average	<b>2.06</b>

**The FSM Value**





# iNFADS

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- Web based Property Record Database
  - System maintained and operated by NAVFAC
  - Records maintained by Regions / Installations
- Source of annual DoN certified Real Property Inventory (RPI) report.
  - DoD checks the report for anomalies and uses it for the real property financial report to Congress

Provides the facility quantity data for FSM & FRM.

FSM = Facilities Sustainment Model

FRM = Facilities Recap Metric

- NAVFAC Facility Management PMs conduct “logic scrubs” to support IMCs in data accuracy.



# Recapitalization

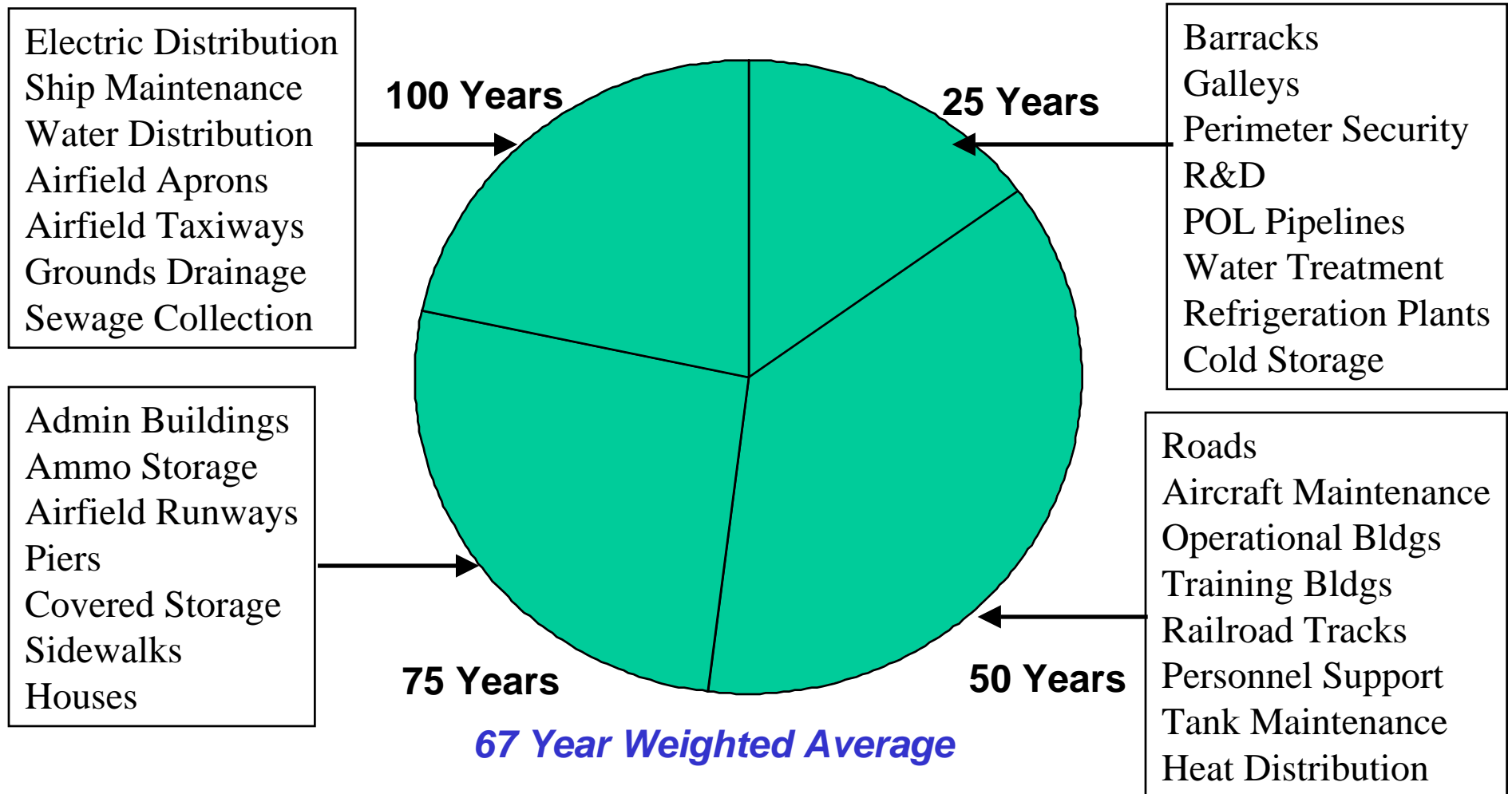
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- Major renovation or reconstruction activities (including facility replacements) needed to keep existing facilities modern and relevant in an environment of changing standards and missions. Includes:
- Restoration: work to restore facilities damaged by inadequate sustainment, excessive age, natural disaster, or other causes and replacement of whole facilities. Includes replacement of components that last more than 50 years (excluded from Sustainment costs). Examples:
  - Typhoon damage
    - Demolish and rebuild
    - Slate roofs
  - Modernization: includes alteration of facilities to implement new or higher standards, to accommodate new functions. Examples:
    - Seismic upgrades, ADA upgrades, code compliance.
    - Install central A/C to replace energy inefficient window units
    - Increase power and HVAC for modern computer load (NMCI and SIPRNET)



# Q2 RECAP

## Distribution of Expected Recapitalization Cycles



*Shape*

*Anticipate*

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